

Dear Productivity Commission,

My name is Damien Granet, and I'm a student from Canberra and currently the president of Effective Altruism ANU, an active student group that is involved in the charity space. Our community is deeply passionate about making a tangible impact and would be better positioned to contribute more, both financially and through volunteering, if these reforms progress. This inquiry is particularly vital to us as it makes significant strides towards improving DGR rules, empowering the charities we care about the most - particularly those in areas such as animal welfare, existential risk, policy advocacy, and independent journalism. I commend the commission's work, but I believe there are areas of the review that could be enhanced, future-proofed, or in the case of impact analysis, reconsidered.

I urge the commission to reassess their position on government-led impact analysis in the charity space. I believe the draft report's concerns about impact evaluation, in response to 'terms of reference 3.ii', could be overcome by aiming at a more realistic goal. The terms of reference do not require the commission to consider "universal, mandated standardised quantitative measures". They only direct the commission to consider how proven overseas charity evaluators operate, primarily using opt-in models. The government and the Australian public have a clear interest in the increased effectiveness of charities - more public benefit, stronger communities, reduced suffering etc. There is no value in letting the perfect get in the way of the good. If the government wants to get value for money, then it needs accurate information.

The commission cites studies which confirm that the average donor doesn't currently tend to independently research and prioritise impact when choosing a charity. However, the commission doesn't seem to consider the fact that donors *change* their donating behaviour once they are *told about* differences in impact¹.

Even speaking from my own experience, I have spent the last two years working with high schoolers and university students, doing outreach surrounding charity effectiveness on campus and at extracurricular programs such as the National Youth Science Forum. When young people learn about disparities in impact, they feel confident donating where they otherwise wouldn't. In fact, learning about the impacts of different interventions is the driving force behind many young people such as myself and my community taking an active part in the philanthropy space. Information about how charities really do help people, provided by a reliable source, motivates people to invest in the sector. When people realise how big differences in impact are, they realise how important it is that we take helping others more seriously. A culture of impact, backed by government published statistics and marketing, will lead to donors picking high impact charities. Consequently, charities will be incentivised to invest in improving their interventions. Australians will be more engaged with the work of charitable organisations. As such, the good done by charities in Australia will increase.

¹ e.g. https://ssir.org/articles/entry/how_impact_data_changes_the_way_donors_give)

Crucially, there is strong reason to believe that the government should be responsible for an impact analysis program in Australia. Major charity evaluators, such as GiveWell and The Life You Can Save do not currently rank any Australian charities. This (alongside what the commission has accurately identified as a skills gap in charity evaluation) forms part of a wider market failure which disconnects Australian donors from their beneficiaries. Is it not the purpose of the government to redress such market failures for the benefit of wider society? Implementing policies which 1) address skills gaps, 2) support optional measures that suit participating organisations, and 3) offer grants to organisations that can conduct impact assessments, could boost the sector's net benefit without undue cost or risk.

The bar for impact evaluation, as set out in the commission's summary and finding 9.1, is too high. There are more viable options that do not require mandating standardised measures across all charities; among these options are the methodologies of overseas charity evaluators that the terms of reference propose.

Some final remarks in regards to the rest of the review:

I support the report's recommendation to expand the types of charities eligible for DGR status to include public interest journalism. However, I believe the final report could benefit from a more detailed justification for this expansion. Public interest journalism plays a vital role in our democratic society, providing accurate information, acting as a watchdog, focusing on marginalised communities, and challenging powerful institutions.

I am encouraged by the draft report's finding that the current DRG system needs reform and should be replaced by a simpler system. I am particularly pleased with the proposal to expand DGR status for animal welfare charities. I am equally excited about the prospect of DGR for policy advocacy. Expanding DGR to include advocacy activities will create a more vibrant ecosystem of for-purpose organisations working to address pressing problems. The privilege of living in a democracy is that communicating with Government is a way to let marginalised voices be heard, and a means to connect parliament with the priorities and concerns of the Australian public. However, I believe the final report could benefit from a minor clarification, emphasising that the proposed expansion of DGR is not limited only to advocacy activities, but also includes surrounding and supporting work i.e. direct action.

In conclusion, while the draft report is a step in the right direction, there are areas that require further refinement. Specifically, impact analysis needs to be reconsidered, and the potential for expanding DGR status requires further exploration and clarification to make it more resilient.

Thank you for the opportunity to review the draft report and provide comments. I am looking forward to seeing the progress of these reforms.

Regards,
Damien Granet